

# I. Amendments to the Claims

1. (currently amended) A ~~[ n-institution- ]~~ bank centric electronic commerce portal system for effecting a real time transfer of guaranteed funds associated with a customer transaction in a network environment comprising:

an association of ~~institutional user account custodians and institutional merchant account custodians~~ banks subscribing to a common rule set in which customers ~~users~~ and merchants are associated with their respective ~~account custodians~~ banks and in which the ~~respective custodians of the user and merchant accounts~~ banks maintain custody of the funds of the respective customers ~~user~~ and the merchants in accounts at the banks;

a network capable of interconnecting, upon a request from a customer for an interconnection: 1) ~~users~~ a customer and its bank ~~user account custodians~~, 2) a merchant [ s to ] and its bank ~~from merchant account custodians~~, 3) a customer ~~users~~ and a merchant [ s ] and 4) ~~user account custodians, and merchant account custodians to and from~~ a customer's bank and a merchant's bank with a settlement mechanism;

a vendor mall including at least one site of a merchant for effecting a transaction with the merchant, said mall allowing access by a customer ~~users~~ to the at least one merchant for a transaction having a defined funds value and being accessible by a customer ~~user~~ through a ~~network connection initiated through~~ portal in the network associated with the customer's bank ~~user account custodian~~;

a network switch linking the mall with ~~user account custodians, merchant account custodians~~ the customers banks' and the merchants banks' and a settlement mechanism;

means in the network switch 1) for receiving a transaction information record from a merchant ~~site~~ at the mall comprising at least a customer ~~user~~ identification indicia, a transaction funds value, and the merchant identity; 2) for associating customer ~~user~~ identification indicia with a customer's bank ~~user account custodians~~; 3) for associating a

merchant with the merchant's bank account-custodian; and 4) for transmitting the transaction information record essentially simultaneously to the customer's bank user-account-custodian and to the merchant's bank account-custodian;

a mechanism in the customer's bank user-account-custodian, whereby, upon receipt of said transaction information record, the customer's bank user-account-custodian debits funds from the customer's user account in the amount of the transaction funds value and separates said funds from the customer's user's account into a transaction value funds account in a file associated with the merchant's bank account-custodian;

control means in the said network switch to initiate said settlement mechanism on a predetermined interval basis and to effect net settlement of transaction value funds between and among customer banks user-account-custodians and merchant banks account custodians corresponding to the aggregate net value owing or credited to the respective banks account-custodians for transactions during the period of the predetermined interval, through one of a Federal Reserve settlement, a private clearing house mechanism, and a settlement mechanism within the network switch.

2. (currently amended) The system of claim 1 in which customers users and their account custodians banks are organized in the system in separate institution-centered bank-centric relationships secured by one or more than one of a firewall, certificate of authority system and identity authentication system.

3. (currently amended) The system of claim 1 including a hot file interposed in the network in a connection between a customer user and the customer's user's-account-custodian bank, the hot file comprising means for screening attempted customer user entry attempts and disallowing entry upon the detection of lost or stolen cards or identifications, closed accounts

and other criteria determined by predetermined rules governing customer user access parameters.

4. (currently amended) The system of claim 2 in which an identification system includes one or more of a customer's user's check, debit card, credit card, smart card or biometric identification, PIN, or combination thereof, issued to the customer user upon subscription into the system.

5. (currently amended) The system of claim 1 in which a customer's user's entrance into a vendor mall site is correlated by the customer's bank user-account-custodian with a record of a customer's user's verified identity.

6. (currently amended) The system of claim 5 in which a verification of the identity of a customer user is derived from indicia on one or more of a check, a debit, credit or smart card, biometric identification and PIN.

7. (currently amended) The system of claim 5 in which upon the authentication of a customer's user's verified identity, a unique digital trace identifier including an identification of the customer's bank user-account-custodian is issued to the customer user by the customer's bank user-account-custodian and the customer's bank -custodian maintains a record of the trace identifier issued to the customer user.

8. (currently amended) The system of claim 7 including in the vendor mall one of a custodian file bank database or look up table that associates the trace identifier with the customer's user's account-custodian bank.

9. (currently amended) The system of claim 7 including in the vendor mail one of a ~~custodian file~~ bank database or look up table that associates an ~~account custodian~~ a bank of record ~~for~~ with each mail merchant.

10. (currently amended) The system of claim 8 in which the same database or look up table associates the trace identifier with the ~~user's account custodian~~ customer's bank and the ~~account custodian~~ bank of record for each merchant.

11. (currently amended) The system of claim 9 in which the same database or look up table associates the trace identifier with the ~~user's account custodian~~ customer's bank and the ~~account custodian~~ bank of record for each merchant.

12. (currently amended) The system of claim 7 in which, in the event of a user customer transaction with a merchant, the merchant prepares a transaction information record recording at least the amount of the transaction, the trace identifier for the user customer and the ~~account custodian~~ bank of record for the merchant for transmission over the network to the ~~account custodian~~ bank of record for the merchant.

13. (currently amended) The system of claim 12 in which the user customer and merchant are associated with the same ~~custodian~~ bank and the transaction is an ON US transaction in which the ~~custodian~~ bank effects a real time transfer of actual funds from user's customer's account to the merchant's account.

14. (currently amended) The system of claim 12 in which the transaction information record is transmitted to the network switch connecting ~~user account custodians~~ customer banks and

merchant ~~account-custodians~~ banks and the network switch transmits to the ~~user-account custodian~~ customer bank a record of the transaction value and ~~user~~ customer trace identifier and transmits to the merchant bank ~~account-custodian~~ a record of the transaction value and the merchant identity.

15. (currently amended) The system of claim 1 in which a server interconnects a multiplicity of merchants to define the mall in a correspondence with merchant sites and the server 1) is interrelated with the network switch interconnecting ~~user-account-custodians~~ customer banks and merchant banks ~~account-custodians~~ and 2) includes one of a database and look up table for transaction information records and merchant banks ~~funds-custodians~~.

16. (cancelled)

17. (currently amended) The system of claim 1 in which access to the system by a customer user is effected by a PC terminal, a wired or wireless personal communication device, browser, Web or Internet appliance, ATM, or kiosk.

18. (original) The system of claim 1 in which the value of a transaction is associated with real funds or a credit line.

19. (currently amended) The system of claim 1 in which a customer user transaction is initiated at a physical location of a merchant.

20. (currently amended) The system of claim 17 in which a customer user initiates a transaction at a virtual point of sale at a merchant site at the mall.

21. (currently amended) The system of claim 1 in which the mechanism in the customer bank user account-custodian to effect a guarantee of good funds in the account in the amount of the transaction value includes a debit authorization and memo/hard post item against a demand deposit account of the user.

22. (currently amended) The system of claim 1 in which the mechanism in the customer bank user account-custodian to effect a guarantee of good funds in the account in the amount of the transaction value includes a debit authorization and memo/hard post item against a credit line of the customer.

23. (original) The system of claim 1 including a mailbox accessible through the network and assigned to a merchant for real time lookup of net accumulated or disbursed funds achieved in transactions.

24. (currently amended) The system of claim 1 including a mailbox accessible through the network and assigned to a bank an account-custodian for real time lookup of net debits and credits owing from or payable to the bank custodian.

25. (currently amended) The system of claim 1 including ~~An institution-centre electronic commerce system for effecting a real time transfer of guaranteed funds associated with a transaction in a network environment comprising:~~  
~~— an association of institutional user account custodians and institutional merchant account custodians subscribing to a common rule set in which users and merchants are associated with their respective account custodians and in which the respective custodians of the user and merchant accounts maintain custody of funds of the user and the merchant;~~

~~\_\_\_\_\_ a network capable of interconnecting, upon a request for an interconnection: 1) users and user account custodians, 2) merchants to and from merchant account custodians, 3) users and merchants and 4) user account custodians and merchant account custodians to and from a settlement mechanism;~~

~~\_\_\_\_\_ a vendor mall including at least one merchant, said mall allowing access by a user to the at least one merchant for a transaction having a defined funds value and being accessible by a user through a network connection initiated through a user account custodian;~~

~~\_\_\_\_\_ a network switch linking the mall with user account custodians, merchant account custodians and said settlement mechanism;~~

~~\_\_\_\_\_ means in the network switch 1) for receiving a transaction information record from a merchant at the mall comprising at least a user identification indicia, a transaction funds value, and the merchant identity; 2) for associating user identification indicia with a user account custodian; 3) for associating a merchant with the merchant's account custodian; and 4) for transmitting a the transaction information record essentially simultaneously to the user account custodian and to the merchant account custodian;~~

a mechanism in the customer's bank user account custodian, whereby, upon receipt of a transaction information record representing the customer's bank's an institution's acceptance of a customer's user's non-on-us funds transfer between a payor institution and a depositor institution, the customer's bank institution sends the funds transfer information to the network switch which routes information to the payor institution associated with the non-on-us funds transfer and to the depositor institution associated with the non-on-us funds transfer; the switch creates a record of the funds transfer; credits the depositor institution; debits the payor institution; and transmits the record to the payor institution; the payor institution receives the transaction information, verifies the user funds transferor's payor's account balances and

puts a hard memo post hold item in the amount of the funds transfer on the payer's account of the ~~user~~.

26. (currently amended) The system of claim 1 in which the mall comprises a virtual private network of a plurality of merchants.

27. (currently amended) The system of claim 1 including an interconnection between a merchant's mall site and ~~the vendor's~~ a distribution center for goods associated with a transaction, in which, upon transmission of the transaction information record, at the time of a transaction with a customer user, shipment of the goods of the transaction from the distribution center to the customer user is approved.

28. (original) The system of claim 26 in which the virtual private network has a third party administrator.

29. - 32. (cancelled)